

ACTION:	X
DISCUSSION:	

Project Title: First 5 California Health Access for All Children

(Birth to 5 years of age)

1. Summary of Request:

This is an action item to approve \$46.5 million to support the First 5 California Health Access for All Children Initiative (birth to 5 years of age). In response to the State Commission's interest in setting and supporting a goal to ensure that all children in the State are insured and have access to quality medical, dental and vision care, this proposal recommends an investment of \$46.5 million total over approximately four years to assist with the payment of insurance premiums for the State's estimated 48,000 youngest uninsured children (birth to 5 years of age) who are ineligible for Medi-Cal and Healthy Families and who have a family income below 300% of the Federal Poverty Level. In addition to making a financial commitment, First 5 California also has a role in:

- Creating incentives for local commissions to adopt a universal coverage goal for children:
- Creating guidelines that promote consistency across the state;
- · Providing policy leadership on children's coverage issues; and
- Effectively partnering with local commissions, other local agencies and foundations to extend the benefits of this initiative to older children (6-18).

2. Background/History:

Who are the uninsured? In the last few years the Medi-Cal and Healthy Families programs have greatly increased the availability of health insurance for children in California. Yet, a significant number of children eligible for coverage under these two major publicly sponsored health insurance programs have not enrolled for a variety of reasons; thus they receive only episodic care or emergency services. According to the 2001 California Health Interview Survey (CHIS)¹, it is estimated over 1,000,000 children ages 0-18 are uninsured in California, of which approximately 200,000 are

¹ Inkelas M, Halfon N, Uyeda K, Stevens G, Wright J, Holtby S, and Brown ER, *The Health of Young Children in California: Findings from the 2001 California Health Interview Survey*, Los Angeles and Sacramento: UCLA Center for Center for Health Policy Research and First 5 California, July 2003.



young children from birth to 5 years of age. Of the uninsured young children (birth to 5) in California:

- 78% qualify for Medi-Cal and Healthy Families Programs.
- 11% are ineligible for Medi-Cal and Healthy Families Program because of income.
- 11% are ineligible for Medi-Cal and Healthy Families Program because of their citizenship status.

From these data, it is clear that key to substantially reducing the number of uninsured children is to increase the participation of eligible children in the Medi-Cal and Healthy Families programs. However, there is still a significant number of uninsured children ineligible for these programs. Based on the estimates in the CHIS Report and on the experiences of several of the local commissions who have already begun to provide health insurance coverage for uninsured children in their counties, we will be using the figure of 48,286 as the number of low-income young children (birth to 5) who are uninsured and ineligible for either Medi-Cal or the Healthy Families Program for the purpose of this proposal.

Additional information from the CHIS report on the uninsured children population is presented in Appendix A.

What is being done? In addressing this issue, it is important to examine current activity at three levels: State Commission, County Commissions and Foundation Partners.

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State Commission: First 5 California is improving access and quality of services for young children through a number of health projects (e.g., Oral Health Initiative, Childhood Asthma Initiative, Special Needs Project [screening and assessment effort], Infant, Preschool and Family Mental Health Initiative) and through the health element of the School Readiness Initiative. Although many successes have been achieved through these projects, First 5 California is now positioned to work more systematically and at a larger scale in securing the provision of a full range of comprehensive medical, dental and vision services for young children. Many of the evidence-based practices developed through the early projects will be incorporated into this proposed health access initiative. First 5 California has worked collaboratively with other state departments and agencies, such as the Department of Health Services (Medi-Cal and Denti-Cal), Department of Mental Health and the Managed Risk Medical Insurance Board (Healthy Families Program) and will develop this initiative with these agencies.

<u>County Commissions:</u> The Counties are involved in various types of initiatives to improve health access and to increase children's health insurance coverage for children. Several counties that are offering expanded health insurance coverage to all



uninsured children in families under 300% of the poverty level (400% in San Mateo County). This model has two parts—a new health insurance program for children not eligible for Healthy Families or Medi-Cal, typically called Healthy Kids, and a coordinated "one open door" outreach effort to reach all children eligible for health insurance coverage (regardless which type of program).

The First 5 funding is only one source of funding being used to support these efforts. It should be noted that the First 5 funds only subsidize the premium costs for children from birth to 5, with the premiums for the older children (6-18) being covered with funds from a variety of different sources (e.g. Tobacco Settlement funds, county government and county organized health systems, health plans, foundations, hospital districts and other health agencies, members of the corporate/business community). Many of the counties report that securing the funds to cover the insurance premiums for the older children has been and continues to be a challenging hurdle.

The County First 5 Commissions' level of effort can be viewed in three groupings:

- 1. Commissions currently participating in the implementation of a health insurance expansion program in their county or planning to implement one within the next 2 years.
- Many of these counties are supporting a Healthy Kids program, which have a comprehensive medical, dental and vision benefit package that mirrors Healthy Families. The Healthy Kids program have the same carve-out requirements with California Children Services and Dept. of Mental Health for children with special health/mental health needs. Other counties are supporting programs that only provide outpatient services or are limited to medical services only.

Where there are multiple funding sources (e.g., tobacco settlement funds, foundation, other local funds) involved, the insurance coverage is extended beyond the 0-5 population to include all children 0-18.

2. Commissions working to increase access to existing health insurance programs and health care providers through strategies involving systems change, infrastructure development, etc.

- Kern--\$2 million/year for 5 yrs (will soon issue an RFP for a Healthy Kids administrator)
- Los Angeles--\$100 million over 5 years
- Riverside--\$2 million/year (ongoing)
- San Bernardino -\$2 million/year for 2 yrs
- San Francisco \$1 million over 2 years
- San Joaquin \$1 million/year for 3 yrs
- San Mateo \$2.3 million/year for 10 yrs
- Santa Clara \$2 million/year
- Solano \$200,000 over 2 years
- Stanislaus \$9.3 million/3 year pilot
- Tulare Half of their future Prop 10 annual allocation, plus another \$6.8 million to support infrastructure.
- Alameda--Working with other county agencies
- · Glenn--Early discussion stages
- Madera--Early discussion stages
- Marin--Commission approved \$500,000
- Colusa, El Dorado, Sacramento, Sutter, Yolo and Yuba—Concluded a feasibility study to support a regional approach



	that will possibly work with a commercial health plan Orange—Allocates over \$15 million to health access and direct service programs, including outreach and enrollment activities, uninsured dental services, etc. San Luis ObispoLooking at \$125,000/year but seeking additional partners Santa CruzLooking at \$900,000/year but seeking additional partners San Diego—Will be releasing a \$6 million/2 years RFP to support outreach and enrollment activities for existing children health insurance programs	
3. Commissions providing leadership to convene the appropriate stakeholders to generate the necessary interest, develop partnerships, and commence a planning process.	Many of the other county commissions are in various stages of trying to address the issue of increasing access to health services for children. It should be noted that counties are also addressing the issue of health outreach and referral as part of their School Readiness Initiative plans and through other separately funded local initiatives.	

Foundation Partners: Many of California's leading philanthropic foundations, specifically The David and Lucile Packard Foundation, The California Endowment, The California Wellness Foundation, and The California HealthCare Foundation have been involved from the policy, advocacy, and operational levels of addressing the issue of universal health care for children and adults in California. These four entities, which we will refer to as our "Foundation Partners" in this proposal, are funding efforts associated with technical assistance, planning, advocacy, policy development, and to a lesser extent, premium subsides. Over the course of the last few months, many of the county commissions have benefited greatly from the technical assistance offered by the Institute for Health Policy Studies and its Child and Family Technical Assistance Center, which are supported by the Packard Foundation. The California HealthCare Foundation recently released its *Step by Step: Local Coverage Expansion Initiative* to support counties and local coalitions seeking to support diverse solutions to expand coverage to uninsured populations that are currently ineligible for public insurance programs. Three types of grants are available through the Step by Step Initiative:



Planning grants (\$25,000-50,000 each), One-e-App grants (\$25,000 – 50,000 each) and Implementation grants (\$100,000 - \$200,000 each).

3. Proposal

The goal of this proposal is to ensure children have greater access to health care through health insurance; thus it will support strategies that address these two major issues:

- Increasing enrollment in Medi-Cal and Healthy Families of children who are already eligible; and
- Creating a health insurance benefit for the ineligible children who have family incomes below 300% of the Federal Poverty Level.

This proposal recommends an investment of \$46.5 million total over approximately four years to assist with the payment of insurance premiums for the approximately 48,000 of the State's youngest uninsured children (birth to 5 years of age) who are ineligible for Medi-Cal and Healthy Families and who have a family income below 300% of the Federal Poverty Level (approximately \$55,000 per year for a family of four).

First 5 California, with the local First 5 Commissions and the Foundation Partners, will form a key partnership that can provide the necessary momentum for the successful implementation of a statewide program. To achieve this goal of universal health coverage for all children, there must be a solid and committed partnership between the State Commission, County Commissions and the Foundations to address and support the development, implementation, and evaluation of the Health Access for All Children Initiative. In order to maximize our collective efforts and resources, we have delineated the specific roles and responsibilities for the key partners in regard to four essential components:

- A. Insurance Premium Subsidies
- B. Technical Assistance
- C. Outreach and Enrollment
- D. Quality Enhancement and Evaluation



A. Insurance Premium Subsidies

<u>State Commission</u>: It is recommended that the State Commission designate \$42.5 million to subsidize the insurance premiums for uninsured children (birth to five) throughout the State who are not eligible for Medi-Cal and Healthy Families. The First 5 California funding can be viewed as an incentive for local commissions and their local partners to adopt and maintain the goal of universal health coverage for all children.

- The State will allocate approximately \$10.625 million annually to the County Commissions for approximately four years to specifically pay for the insurance premiums of uninsured children (birth to five) who are not eligible for Medi-Cal and Healthy Families. This allocation is based on the estimated annual premium cost of \$1,100 per child. To qualify to receive their allocation, the County Commission must meet the cash match requirement of \$4 (from local sources, not limited to County First 5 funds) to every \$1 of First 5 California funds all to be used solely for the purpose of subsidizing insurance premiums for young children (birth to 5). Based on this match requirement, it is estimated that annually over \$50 million will be collectively available to cover the insurance premium costs for young children (0-5) currently uninsured in the State.
- The allocation of the First 5 California Health Access funds is based on the
 estimated number of uninsured young children (0-5) in each county (according
 to the CHIS data, 2001). The proposed county allocations are displayed in
 Attachment 1.
- Most importantly to qualify for the First 5 California Health Access funds, the County Commission (or its designated health plan) must demonstrate that it has received the necessary approvals to begin the enrollment of children into its plan. To qualify the health insurance program must:
 - Offer a standardized benefit package that matches the Healthy Families Program with similar premiums and co-pays.
 - Be available to any young child (0-5) who is ineligible for either Medi-Cal or the Healthy Families Program and whose family income is below 300% of the FPL. Further, the health insurance program must be structured to enroll and serve all children through 18 years of age once funding for the insurance premiums for the older children (6-18) is secured.



- Have or have plans for "one open door" for enrollment to all insurance programs for children under 300% of the FPL.
- It should be noted that the allocation amount is capped and there will be no minimum allocation for counties with small populations of uninsured.
- Given the diversity of the targeted population, it is critical that the contracted Health Plans work with safety net providers and other health providers with established records of providing culturally competent and linguistically appropriate services.

<u>County Commissions</u>: A small but steadily growing number of the local Commissions have already approved multi-year funding to contribute towards the establishment and operation of a health insurance expansion program in their respective counties. Based on the information that we have acquired to this point, most County Commissions can meet the local cash match requirement for the State allocation as described in this proposal with its own First 5 funding and/or with contributions from other local partners.

<u>Foundation Partners and Other Partners:</u> With an estimated 220,000 older uninsured child population (ages 6-18) ineligible for Medi-Cal and Healthy Families, nearly \$242 million may be required annually to cover the associated premium costs. In counties implementing health insurance programs for children ineligible for Medi-Cal and Healthy Families Program, the funding used to cover the premiums for older children has come from a variety of different sources, including:

- Tobacco Settlement funds
- County and city government
- · County organized health systems and other health plans
- Statewide, regional and local foundations
- Hospital districts and other health agencies
- Corporate/business community
- Others

With the collective First 5 contributions possibly exceeding \$50 million annually to cover the health insurance premiums of younger children, we anticipate that the County Commissions will be able to leverage additional financial commitments from other key partners (e.g., county and city governments, health plans, hospitals and other health agencies, foundations, businesses/corporations and many others) to cover the costs for insuring the older child population. Given that our Foundation Partners have made a sizeable contribution towards insurance premiums over the past



few years, we have every expectation that they will continue to provide some financial resources, as well as vital leadership in this area.

B. Technical Assistance

<u>State Commission</u>: The State Commission has not provided technical assistance in the health insurance arena and does not plan to duplicate technical assistance currently provided through funding by the Foundation Partners for starting up and implementing a universal health insurance program.

<u>County Commissions</u>: The County Commissions have regional technical assistance support (through First 5 California funding) that could be used to address their needs in the health insurance arena. If it is determined to be a priority in the region, a portion of these funds and other First 5 resources could be dedicated to meeting specific training and technical assistance needs of the County Commissions as they pertain to the implementation of a health access program for young children. The continued training and technical assistance efforts supported by our Foundation Partners will augment local and regional efforts and be a welcomed resource.

<u>Foundation Partners</u>: The Foundation Partners have been very successful in their technical assistance efforts to date in helping the county commissions to establish their health insurance programs, and especially beneficial in counties dealing with infrastructure issues. Based on their solid track record, the Foundation partners will continue to provide leadership and resources to support technical assistance to the County Commissions (individually and/or regionally) in developing, implementing, evaluating and sustaining their health insurance programs.

C. Outreach and Enrollment

State Commission: Given our dual goals of increasing enrollment in Medi-Cal and the Healthy Families Program of those children who are eligible for these programs and in providing a health insurance program for those who are not, a strategic and well-designed outreach campaign plays a critical role in this initiative. Health plans typically develop and use informational materials in promoting and enrolling eligible beneficiaries. However, given the diversity of the targeted communities and the multiple and often complex issues impacting their decision to enroll in a government-funded program, there is a compelling need to employ more targeted, intensive and culturally and linguistically appropriate outreach strategies. Thus the State Commission could consider directing the next phase of the First 5 Community-based Outreach (CBO) Program with its multiple grassroots partners (e.g., faith-based organizations, childcare providers, parent advocate groups, regional centers,



businesses) to focus their information and education efforts on the promotion of health insurance coverage particularly in communities with high uninsured rates. Since there has not yet been a full discussion on the continuance of the CBO Program with the State Commission or with the County Commissions and given the critical role that this outreach and enrollment component plays in the overall success of the Health Access Initiative, it is recommended that \$3 million be set aside until a full discourse has occurred.

<u>County Commissions:</u> In addition to setting aside funds to cover premium costs, a number of Counties have also funded targeted outreach and education to positively influence enrollment, utilization, and retention for Healthy Kids and other health insurance programs under the "one open door" model. In addition, the County Commissions are in a prime position to influence their other locally funded projects to actively promote the availability of health insurance when interacting with the parents and other caregivers of young children served in their programs.

<u>Foundation Partners:</u> The foundations have funded a number of efforts to better understand the issues surrounding the promotion of health insurance enrollment and retention. These efforts have led to some very promising strategies and approaches, including Express Lane Eligibility, 100% Campaign, One-e-App development and expansion, etc. Given their strong track record to date with the outreach and enrollment efforts, the foundations' continued leadership and support in this arena would be essential and complementary to the grassroots efforts supported by the First 5 Commissions.

D. Quality Enhancement and Evaluation

State Commission: As a principle purchaser of this new insurance program, the State Commission will monitor the enrollment and retention data by county and disaggregated by ethnicity, age, children with disabilities, etc. In addition it will review other applicable utilization and quality assurance data reports (e.g., using commonly used health plan measures such as the Health Plan Employer Data and Information Set). However, in an effort to improve services and further the public policy agenda towards universal health coverage (e.g., securing full public funding), the State Commission will work in a coordinated and strategic fashion with our partners to address a number of outstanding key questions and issues. To initiate this work, the State Commission will convene a meeting with the County Commissions and Foundation Partners to identify overlapping areas of interest, list current efforts and detect where the gaps exist in addressing strategic questions. It is recommended that the State Commission set aside \$1 million to support the quality enhancement and evaluation activities required over the course of this initiative. Although a nominal amount, these funds could certainly be leveraged to a greater extent with our other



partners (e.g., foundations, County Commissions, health plans) to examine the key issues at three levels:

- Program operations including outreach, enrollment, and retention
- Program outcomes in terms of children's health status (e.g., screening and assessment, asthma early intervention) and health services utilization (e.g., use of emergency services, dental preventive services)
- System and policy changes including impact on other public and private health programs (e.g., CHDP Gateway).

After the coordination meeting with our partners, a plan detailing the use of the \$1 million (and leverage opportunities) will be brought back to the State Commission for its consideration and approval.

<u>County Commissions:</u> Many of the County Commissions will work directly with a contracted Health Plan to review the local enrollment, disenrollment, and retention data on a regular schedule. In their collaborations with the Health Plans, it is anticipated that they will address barriers and ways to improve these rates as needed. Some counties are setting aside funding to support quality enhancement efforts and to test various service delivery models.

<u>Foundation Partners:</u> The Foundations have funded a number of sentinel studies and reports on the uninsured population and strategies for improving the enrollment, retention and utilization rates (e.g., Packard Foundation is supporting the evaluation on the Santa Clara County Children's Health Initiative). We have every expectation that our Foundation Partners will continue their support and commitment of resources to further address and enhance the quality of these services and to advance the policy agenda towards universal health coverage. The Foundation Partners would be a co-convener of the coordination meeting described above.

4. Timeframe

This initiative supports a four-year allocation to each county that meets the qualifications as stated on pages 4 and 5 (Note: Depending on participation, the time period for spending this allocation may vary among counties so expenditures may occur beyond the fourth year). If this proposal is approved in October 2003, an application process for the First 5 Health Access Initiative would be established and activated by January 2004. Once a county has an insurance plan that is actively enrolling children (or is in the final phase of receiving the final approval to begin enrollment), it could apply for its annual allocation to subsidize the cost of premiums for young children (0-5). It is anticipated that the counties already operating health insurance programs would immediately apply for these funds. Applications (or regional applications) from the other counties would be accepted on a continuous basis through



January 2006 (thus a final fourth year allocation payment could occur in 2009 or later). Although First 5 California staff will continuously review the Health Access Initiative, it plans to conduct in early 2006 a major re-assessment with a recommendation, if indicated, on how to best spend remaining funds. At that time, it is possible that the match requirement or county allocation levels may be revised or the State Commission will direct funding to other strategies for addressing the needs of the uninsured population.

At the present time the financial commitment of First 5 California to this Health Access Initiative should be considered as one-time funding. For this relatively small investment, the First 5 Commissions will be taking great strides toward realizing universal health insurance coverage for young children. Given the ever changing and progressive landscape of health insurance programs in the State (e.g., the recently signed employer-based health insurance legislation, Senate Bill 2, that becomes effective January 2006), this landmark accomplishment should serve as a platform for others, both in the public and private sector, to build upon to extend universal coverage to all children and their families.

5. CCFC Objectives

The Health Access for All Children Initiative is in direct alignment with the Early Childhood Health goal as stated in the First 5 California Strategic Plan (2003-2006). Further the application of the Principles on Equity in the design of the Health Access Initiative is readily evident given its targeted focus on the population of children without access to regular preventive medical, dental and vision services because of their immigration status or family income.

6. Interface and Impact on other Programs

The success of the Health Access Initiative will impact other initiatives of First 5 California, particularly its School Readiness Initiative given that *Health Services* are considered one of its 5 Essential and Coordinated Elements. It is anticipated that through the Health Access Initiative virtually all children participating in a First 5 School Readiness program will now have the benefit of comprehensive preventive and treatment services to address their medical, dental and vision needs. With this benefit in hand, a child's health problems could be identified and treated earlier, which would greatly impact her/his school readiness.



Summary of the First 5 California Health Access for All Children Initiative (0-5)

Allocation: \$46.5 million total of First 5 California funds

- \$42.5 million for County Allocations to subsidize insurance premiums (generally in 4 year allocations) with a \$1 state to \$4 county match
- Set aside \$3 million to support Outreach and Enrollment Activities
- Set aside \$1 million to support Quality Enhancement and Evaluation Activities

Minimum qualifications of the County Health Insurance Program

- Benefit package must mirror the Healthy Families Program and with similar premiums and co-pays.
- Availability offered to all children (0-5) who are ineligible for either Medi-Cal or the Healthy Families Program and whose family income is below 300% of the FPL.
- "One open door" for enrollment to all insurance programs for children under 300% of the FPL.

Partners:

- County Commissions to provide a \$4 match (estimated at \$170 million total)
- Foundation Partners to provide leadership and resources in the areas of technical assistance, outreach and enrollment, quality enhancement and evaluation, and some support for insurance premiums for the older child population (6-18).
- Other Partners to contribute resources to extending the benefit of this insurance program to older children (6-18). These partners include city and county government (e.g., Tobacco Settlement funds and other public funds), health plans, hospitals and other health agencies, community and local foundations, business and corporations)

7. Attachments

Attachment 1--Table 1: Children Aged 0-5 -- Health Insurance Status and CCFC Match Distribution by County

Appendix A—Excerpt (pages 23-29) from *The Health of Young Children in California: Findings from the 2001 California Health Interview Survey*, UCLA Center for Health Policy Research and First 5 California, July 2003.